

~~THE DIRECTOR OF CENTRAL INTELLIGENCE~~

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WASHINGTON, D. C. 20505

Office of Legislative Counsel

20 APR 1977

Mr. James M. Frey  
Assistant Director for Legislative Reference  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Frey:

Enclosed are proposed reports to Chairman Inouye, Senate Select Committee on Intelligence, and Chairman Price, House Armed Services Committee; expressing this Agency's concern about certain inequities in the salary schedule for physicians employed by the United States.

Advice is requested as to whether there is any objection to the submission of these reports from the standpoint of the Administration's program.

Sincerely,

SIGNED

George L. Cary  
Legislative Counsel

Enclosures

Distribution:

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1 - OLC Subject

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OLC:WPB:sm (19 Apr 77)

*Letter sent to  
2 Apr 77*

MORI/CDF Pages  
2-15

77-8259

Executive Registry

21 APR 1977

OMB/ app. file

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy Director for Administration

FROM : Charles A. Bohrer, M.D.  
Director of Medical Services

SUBJECT : Medical Administration

REFERENCES : Ex Reg 6861, dtd 7Mar77; Ex Reg 6861/1,  
undtd; Ex Reg 6861/2, undtd; Ex Reg  
6861/3, dtd 15Apr77

1. Action Requested: None; for information only.

2. Background: Thank you for supporting and forwarding the letters on Federal physicians comparability pay to the Honorable Daniel K. Inouye and the Honorable Melvin Price. While this office currently has no acute staffing problem with physicians, I do have a staff that is discontent with the inequities in the pay system. Physicians applying for employment with the Agency likewise do not understand the inequity.

It is apparent that the previous memorandum sent to you on physicians in the Office of Medical Services gave you the impression that there are nine physicians administering a total of twenty-five. The following information is provided in order to clarify the use of OMS physicians.

The Director, Deputy Director and Chief of Professional Services of OMS are the principal physicians involved in the administration and management of physicians, nurses, technicians and psychologists in the office. Their administrative responsibilities, of necessity, involve professional judgments as well. One physician is developing our ADP applications (CAMPS). In addition, there are four psychiatrists whose primary responsibilities include daily patient evaluation and consultation. One additional psychiatrist (part-time) provides behavioral

OMB Approval

SUBJECT: Medical Administration

support to the Agency and the Intelligence Community on the

[REDACTED]

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physicians are involved directly in the evaluation, examination and provision of emergency health care for employees and dependents at the Headquarters Building and at Ames. One physician is currently undergoing career development training internally and at Johns Hopkins in order to provide him with additional professional qualifications required by this office.

[REDACTED]

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The Office of Medical Services, like any office, has certain general administrative duties which are not unique in nature and do not require decisions by a physician. These administrative activities are primarily delegated to medical administrative officers, most of whom were trained as chief corpsmen or their equivalent by the military services.

SIGNED  
CHARLES A. BOHRER, M.D.  
Charles A. Bohrer, M.D.

Attachments

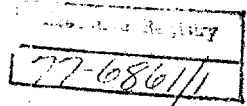
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Central Intelligence Agency



Washington, D.C. 20505



Honorable Daniel K. Inouye, Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing to express my concern about the serious problem faced by this Agency in recruiting and retaining qualified physicians. This problem results, in large part, from certain inequities in the salary schedule for physicians employed by the United States.

The Uniformed Services Medical Officers Revised Pay Structure Act of 1974 (P.L. 93-274) and the Veterans Administration Physician and Dentist Pay Comparability Act of 1975 (P.L. 94-123) provided special pay and incentive pay to physicians and dentists in the uniformed services and the Veterans Administration, a total of approximately 92.5 percent of the physicians employed by the Federal Government. As a result, the remaining 7.5 percent of the physicians employed by the Federal Government receive compensation at a significantly lower rate than their counterparts. Physicians employed by the Central Intelligence Agency are among this group of civilian physicians adversely affected by the imbalance in pay scales.

This inequitable situation, coupled with the availability of higher salaries in the private sector, has placed this Agency in a poor competitive position with respect to other Federal agencies with regard to the recruitment and retention of physicians. I believe that if this Agency were able to pay competitive salaries the problem would be solved. Data from the Department of Defense indicates that the Uniformed Services Physicians Pay Act stopped the net outflow of military physicians.

Legislation was introduced in the 94th Congress that would extend the benefits of P.L. 93-274 and P.L. 94-123 to physicians in other Federal agencies and departments; in my view this would be a proper method to extend these benefits to physicians employed by the Central Intelligence Agency. Similar legislation already has been introduced this session in both Houses, by Representatives Lott (H.R. 1519) and Fisher (H.R. 4620) and by Senator Mathias (S. 990). Since only a relatively small number of Federal physicians are not covered by existing laws and would therefore be affected by this legislation, swift action in the Congress is far from certain. My Office of Legislative Counsel will follow the progress of

this legislation but, if necessary in light of this Agency's pressing need for remedial legislation, may offer a legislative proposal specifically drawn to insure that physicians employed by the CIA are placed on a par with those in the uniformed services and the Veterans Administration.

I feel it is appropriate to raise this legislative matter with the Committee and urge your support for remedial language as introduced already or, if necessary, as may be proposed by this Agency. I welcome the opportunity to discuss the matter at greater length.

The Office of Management and Budget has advised there is no objection to the submission of this report from the standpoint of the Administration's program.

Yours sincerely,

/s/ Stansfield Turner 15 APR 1977

STANSFIELD TURNER  
Admiral, U.S. Navy

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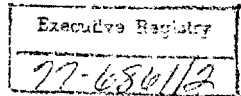
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Washington, D.C. 20505



Honorable Melvin Price, Chairman  
Committee on Armed Services  
House of Representatives  
Washington, D. C. 20515

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777-1841

7 March 1977

MEMORANDUM FOR: Deputy Director of Medical Services

FROM : [REDACTED] M.D., M.P.H.  
Medical Systems Development Officer,  
Office of Medical Services

SUBJECT : Summary of the Inequitable Pay Status for  
Federal Civilian Physicians

1. Following the termination of the Doctors Draft in June 1973, the Uniformed Services began to have difficulty in recruiting and retaining physicians to provide quality medical services for military personnel and their dependents. By the spring of 1974 a critical shortage of physicians had developed in the Uniformed Services. In evaluating this situation, it was determined one of the principle reasons for the shortage was the inability of the military to pay salaries that were competitive with the income physicians could attain in private practice and industry. In an attempt to correct this difficulty, the 93rd Congress enacted PL 93-274 (Uniformed Services Medical Officers Revised Pay Structure) dated 6 May 1974. This Law enabled the Uniformed Services to provide up to \$13,500 per annum in special pay over and above the prevailing levels of ordinary compensation.

2. By the summer of 1975 the Veterans Administration (VA) began to recognize it was having great difficulties in recruiting and retaining physicians. In analyzing the causes for this, it was determined the principle reason for the problem was the inability to pay salaries competitive with the Uniformed Services and the income physicians could earn in industry and private practice. To assist the VA in rectifying these difficulties, the 94th Congress passed PL 94-123 (Veterans Administration Physician and Dentist Comparability Act of 1975). This Law permitted the VA to pay physicians up to \$13,500 per annum in special pay over and above regular pay. This Law further directed the Comptroller General and the Director of the Office of Management and Budget (OMB) to study the problem of

SUBJECT: Summary of the Inequitable Pay Status for Federal Civilian Physicians

recruitment and retention of physicians and dentists in the Federal Services and to develop recommended alternative courses of action that could solve documented recruitment, retention and pay problems.

3. Because of the difficulties in recruiting and retaining physicians in the Federal Services, as documented by the Uniformed Services, the VA and some civilian agencies, a Joint Agency Work Group (JAWG) was convened by OMB and chaired by the Civil Service Commission (CSC) to study compensation and personnel systems for physicians and other Federal health professionals. The JAWG completed a report to OMB in December 1976 on Compensation and Personnel Systems for Physicians and Other Health Professionals. The Executive Summary of this report is presented in Attachment A.

4. By January 1976 The Council of Federal Medical Directors had become aware that a number of Federal civilian agencies were having difficulties in recruiting and retaining physicians and ascertained that 1800-1900 Federal civilian physicians (circa 7.5% of the total number of Federal physicians) were not being provided any of the special pay benefits authorized for their peers in the Uniformed Services by PL 23-274 and the VA by PL 94-123. In an effort to correct this inequity the Council worked to secure introduction of bills entitled the Federal Physicians Comparability Allowance Act of 1976. These Bills were introduced in the House by Congressman Joseph Fisher on 20 May 1976 and in the Senate by Senator Charles McC. Mathias on 8 September 1976. These Bills were to provide up to \$10,000 per annum in special pay over regular salary levels. These Bills were referred to the Committees on Post Office and Civil Service in the House and Senate, respectively. These Committees requested the views of the CSC, General Accounting Office (GAO), and OMB on these Bills. The CSC did not take a position on HR 13933 because it felt the reports directed of GAO and OMB by PL 94-123 should serve as a basis for further action by Congress. The GAO advised on 7 September 1977 it had sent its report to Congress which was recommending a uniformed compensation plan for all Federal physicians and dentists, which should help correct the inequity being experienced by Federal civilian physicians.

SUBJECT: Summary of the Inequitable Pay Status for Federal Civilian Physicians

The OMB did not formulate a position on HR 13933 because hearings were not held on this Bill. Unfortunately, there was not enough time in the 94th Congress to permit enactment of these Bills into law. Thus, there still exists an inequitable pay status for the Federal civilian physicians compared with that provided physician peers in the VA and the Uniformed Services.

5. By the summer of 1976, the Uniformed Services and the VA had compiled statistics that demonstrated an improvement in the recruitment and retention of physicians. The Uniformed Services had stopped its net outflow of physicians and had been able to attain an equilibrium in the number of physicians for the first time since the termination of the Doctors Draft. Both the Uniformed Services and the VA thought their improved experience was definitely related to their ability to provide the special allowances authorized by PL 93-274 and PL 94-123. In view of this experience, Congress was convinced to extend these Laws, which were due to expire 30 September 1976, to 30 September 1977.

6. On 30 August 1976 the Comptroller General published the report entitled "Recruiting and Retaining Federal Physicians and Dentists: Problems, Progress, and Actions Needed for the Future" as their response to the Congressional directive on this subject in PL 94-123. The significant conclusion and recommendations of this report are exhibited in Attachment B.

7. In December 1976 the OMB published the report entitled "Recruitment and Retention of Federally Employed Physicians and Dentists" as its response to the Congressional directive on this subject in PL 94-123. An executive summary of this report is provided in Attachment C.

8. The current status of pay for Federal physicians is that the Uniformed Services physicians in the Department of Defense and Public Health Service and physicians in the VA are entitled to, and receive, special allowances of up to \$13,500 above their regular salaries, while the 1800 to 1900 Federal civilian physicians (circa 7.5% of all Federal physicians) are not authorized to receive any of these special

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Civilian Physicians

allowances. The Council of Federal Medical Directors is continuing its activities to secure passage of legislation that will correct this inequity. Congressman Trent Lott introduced HR 1519 on 6 January 1977 to provide pay comparability for Federal civilian physicians. The Council has commitments from Congressman Joseph Fisher to reintroduce HR 13933 in the House and from Senator Charles McC. Mathias to reintroduce S. 3798 in the Senate to provide pay equity for Federal civilian physicians. Once the Bills have been introduced by Messrs. Fisher and Mathias, the Council will follow the Bills through their legislation process.

STATINTL

M.D., M.P.H.

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